

AMENDED IN ASSEMBLY APRIL 21, 2008

AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

**No. 2683**

---

**Introduced by Assembly Member Houston**

February 22, 2008

---

~~An act to add Section 12343 to the Insurance Code, relating to title insurance.~~ *An act to add Section 1094 to the Civil Code, relating to residential property sales.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 2683, as amended, Houston. Title insurance: mechanics' liens.

Existing law governs the issuance of title insurance upon the transfer of real property including liens or incumbrances thereon. *Existing law regulates contracts for the transfer of real property.*

This bill would require that ~~any title insurance policy or endorsement issued, renewed, amended, or delivered on or after January 1, 2009, to a purchaser of new residential real property shall, with respect to work performed on the construction of the new residential real property prior to the purchase, provide coverage against the risk of any claim based on a mechanic's lien that is perfected on or after January 1, 2009~~ *every sales contract for the purchase of real property on which is located a newly constructed and previously unoccupied residential structure or structures provide for issuance of an owner's policy of title insurance that includes coverage for mechanics' liens for works of improvement commenced prior to transfer of the property to the purchaser.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 1094 is added to the Civil Code, to read:*

2     *1094. Every sales contract for the purchase of real property*  
3     *on which is located a newly constructed and previously unoccupied*  
4     *residential structure or structures shall provide for issuance of an*  
5     *owner's policy of title insurance that includes coverage for*  
6     *mechanics' liens for works of improvement commenced prior to*  
7     *transfer of the property to the purchaser.*

8     ~~SECTION 1. Section 12343 is added to the Insurance Code,~~  
9     ~~to read:~~

10    ~~12343. Any title insurance policy or endorsement issued,~~  
11    ~~renewed, amended, or delivered on or after January 1, 2009, to a~~  
12    ~~purchaser of new residential real property shall, with respect to~~  
13    ~~work performed on the construction of the new residential real~~  
14    ~~property prior to the purchase, provide coverage against the risk~~  
15    ~~of any claim based on a mechanic's lien that is perfected on or~~  
16    ~~after January 1, 2009.~~